

Message Text

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10

ORIGIN ARA-20

INFO OCT-01 ISO-00 EB-11 FMC-04 COME-00 SP-03 AID-20

NSC-07 RSC-01 CIEP-03 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 L-03 CIAE-00 DODE-00 DOTE-00 INR-11 NSAE-00

CG-00 COA-02 DLOS-07 SWF-02 /126 R

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APPROVED BY ARA:WGBOWDLER

ARA/CEN:DLAZAR

EB/MA:RAWEBB

FMC:WJSMITH

MARAD:FRAITER

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R 231806Z AUG 74

FM SECSTATE WASHDC

TO AMEMBASSY GUATEMALA

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E.O. 11652: N/A

TAGS: ETRC, GT, US

SUBJECT: GOG SHIPPING DISCRIMINATION

REF: GUATEMALA 4112 AND PREVIOUS

1. REFTEL REPORTS THAT THERE APPEARS TO BE AN AWARENESS ON THE PART OF SOME GOG OFFICIALS OF THE DETRIMENTAL EFFECT ON THE GUATEMALAN ECONOMY OF FLOMERCA'S PRESENT OPERATIONS. ON THE OTHER HAND, RECURRENT WAIVER PROBLEM INDICATES LACK OF AWARENESS OF DIFFICULTIES BEING ENCOUNTERED BY OUR FLAG LINE AND SHIPPERS, AND POSSIBLE INITIATIVES TO ATTEMPT TO CHANGE PRESENT GUATEMALAN PRACTICES. WE ARE CONCERNED OVER THIS REPORTED LACK OF UNDERSTANDING AND APPRECIATION OF U.S. VIEWS RESPECTING THE CONTINUATION BY GUATEMALA OF A DISCRIMINATORY POLICY WHICH IS DETRIMENTAL TO OUR FLAG CARRIER, SHIPPERS AND

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FOREIGN TRADE.

2. AS THE EMBASSY IS AWARE, CPT CLARK IN HIS LETTER OF JULY 23, 1974 MADE KNOWN TO FLOMERCA DELTA'S DESIRE TO BEGIN DISCUSSIONS IN THE HOPES OF RESOLVING PRESENT DIFFICULTIES IN AN EQUITABLE MANNER. FLOMERCA'S REPLY OF AUGUST 1 (COPY POUCHED) PREDICATES ANY COMMENCING OF TALKS ON A DELTA RESPONSE TO ITS APRIL 9 LETTER AND AN ELABORATION OF DELTA'S AGREEMENT PROPOSALS INDICATING THE BENEFITS THAT WOULD ACCRUE TO FLOMERCA. THE

DEPARTMENT FINDS THE APRIL 9 LETTER (COPY POUCHED JUNE 6) MOST UNSATISFACTORY IN BOTH TONE AND SUBSTANCE AND WISHES TO AVOID WRITTEN DELTA RESPONSE THERETO AS SUCH WOULD ONLY EXACERBATE AN ALREADY DIFFICULT SITUATION. MOREOVER, PRESSING DELTA TO SUBMIT A FORMAL WRITTEN PROPOSAL AT THIS TIME WOULD LIKELY ONLY HARDEN POSITIONS.

3. THE TEXT OF AN AIDE MEMOIRE SETTING FORTH THE USG VIEW OF THE CURRENT SITUATION IS BEING SENT SEPTEL FOR EMBASSY REVIEW AND COMMENT. WE ARE ALSO TRANSMITTING BY SEPTEL A SUMMARY STATEMENT SETTING OUT USG POLICY AND POSITION WITH RESPECT TO FOREIGN CARGO RESERVATION AND OUR FOREIGN TRADE. THIS LATTER DOCUMENT IS DESIGNED FOR INTERNAL US USE. YOU MAY FIND PORTIONS OF IT HELPFUL IN CONVERSATIONS WITH APPROPRIATE OFFICIALS. YOU ARE AUTHORIZED TO SHOW IT INFORMALLY AND AS BACKGROUND TO SUCH OFFICIALS IF YOU THINK IT -- PARTICULARLY PARAS 9 AND 10 -- WOULD NOT BE MISINTERPRETED. IT SHOULD NOT, RPT NOT, BE LEFT WITH THEM, HOWEVER.

4. SHOULD THE GOG AUTHOIRITIES RAISE THE QUESTION OF US CARGO PREFERENCE MEASURES, EMBASSY MAY DRAW ON THE FOLLOWING RESPONSE: THE USG CONSIDERS THAT ITS GOVERNMENT-CONTROLLED CARGOES ARE ONLY THOSE WHICH ARE GOVERNMENT-OWNED, OR FINANCED AND WHICH WOULD NOT MOVE EXCEPT FOR US GOVERNMENT SUPPORT. US LAW REQUIRES AT LEAST FIFTY PERCENT OF AID CARGOES AND CERTAIN PL 480 CARGOES AND ONE HUNDRED PERCENT OF EXIM BANK FINANCED CARGOES TO MOVE ON US FLAG VESSELS. LIMITED OFFICIAL USE

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WITH RESPECT TO THE FORMER, THE PARTICULAR LOAN AGREEMENT USUALLY PROVIDES FOR THE FLAG VESSELS OF THE RECIPIENT COUNTRY TO PARTICIPATE IN THE CARRIAGE OF THESE CARGOES. IN THE CASE OF EXIM BANK CARGOES, A WAIVER OF UP TO FIFTY PERCENT MAY BE GRANTED BY THE MARITIME ADMINISTRATION AT THE REQUEST OF THE RECIPIENT COUNTRY PROVIDED US FLAG VESSELS RECEIVE RECIPROCAL TREATMENT AND ARE NOT DISCRIMINATED AGAINST.

5. IF DURING THE DISCUSSION ALLEGATIONS REGARDING THE PAST BEHAVIOR OF DELTA OFFICIALS SHOULD ARISE, THE EMBASSY, AT ITS DISCRETION, MAY FIND IT ADVANTAGEOUS OR CONVENIENT TO REFER TO FLOMERCA'S APRIL 9 LETTER TO DELTA (CF. PARA 1). THE POINT HERE IS THAT DELTA AND FLOMERCA APPEAR TO BE ON DIVERGENT COURSES, WHEREAS OUR HOPE WOULD BE TO HELP THEM GET TOGETHER IN AN ATMOSPHERE CONDUCIVE TO PRODUCTIVE, MUTUALLY ACCEPTABLE NEGOTIATIONS. KISSINGER

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